A BILL FOR AN ACT

CONCERNING WILDFIRE MITIGATION ASSISTANCE FOR LANDOWNERS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Wildfire Matters Review Committee. The bill establishes the wildfire mitigation resources and best practices grant program (grant program) within the division of local government in the department of local affairs. Grant recipients use grant money to conduct outreach among landowners to inform them of resources available for wildfire mitigation and best practices for wildfire mitigation. The grant program only awards grants to applicants conducting outreach to landowners in high wildfire hazard areas and prioritizes applications based on the potential impact of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment. Capital letters or bold & italic numbers indicate new material to be added to existing statute. Dashes through the words indicate deletions from existing statute.
the applicant's proposed outreach.

The bill also extends the increased wildfire mitigation income tax
deduction that allows a landowner to claim 100%, rather than 50%, of the
costs they incur in performing wildfire mitigation measures.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, add 23-31-310.5 as
follows:

23-31-310.5. Wildfire mitigation resources and best practices
grant program - creation - report - definitions - repeal. (1) There is
hereby created in the Forest Service the wildfire mitigation
resources and best practices grant program, referred to in this
section as the "grant program". Grant recipients may use the
money to conduct outreach among landowners to inform them
of resources available for wildfire mitigation and best
practices for wildfire mitigation.

(2) As used in this section, unless the context otherwise
requires:

(a) "Director" means the director of the Forest Service.

(b) "Forest Service" means the Colorado State Forest
Service identified in section 23-31-302 and the Division of
Forestry created in section 24-33-104.

(3) The Forest Service shall administer the grant program
and, subject to available appropriations, shall award grants as
provided in this section. The Forest Service shall develop and
publish policies and procedures to implement the grant program
in accordance with this section. At a minimum, the policies and
procedures must specify the time frames for applying for grants,
THE FORM OF THE GRANT PROGRAM APPLICATION, AND THE GRANT
PROGRAM EVALUATION AND REPORTING REQUIREMENTS FOR GRANT
RECIPIENTS.

(4) To be eligible to receive a grant, an entity must be an
agency of local government, a county, a municipality, a special
district, a tribal agency or program, or a nonprofit or
not-for-profit organization that is registered and in good
standing with the secretary of state’s office. Applicants must
meet any other criteria specified in the forest service’s policies
and procedures.

(5) The forest service shall review the applications
received pursuant to this section. The forest service shall only
award grants to applicants proposing to conduct outreach
among landowners in high wildfire hazard areas and shall
consider the potential impact of the applicants’ proposed
outreach when awarding grants.

(6) Subject to available appropriations, on or before
January 1 and each year thereafter for the duration of the
grant program, the director shall award grants as provided in
this section. Grants are awarded at the sole discretion of the
director in accordance with this section.

(7) On or before September 1, 2021, and on or before
September 1 each year thereafter, the forest service shall
submit a report to the wildfire matters review committee, or any
successor committee, on the grant program. Notwithstanding
section 24-1-136 (11)(a)(I), the reporting requirement continues
until the grant program repeals pursuant to subsection (8) of
THIS SECTION.

(8) The General Assembly shall annually appropriate money from the General Fund to the Forest Service to implement the Grant Program. The Forest Service may use a portion of the money annually appropriated for the Grant Program to pay the direct and indirect costs that the Forest Service incurs to administer the Grant Program.

(9) This section is repealed, effective January 1, 2025.

SECTION 2. In Colorado Revised Statutes, 39-22-104, amend (4)(n.5)(I)(A) and (4)(n.5)(IV) as follows:

39-22-104. Income tax imposed on individuals, estates, and trusts - single rate - legislative declaration - definitions - repeal.

(4) There shall be subtracted from federal taxable income:

(n.5) (I) (A) For income tax years commencing on or after January 1, 2014, but prior to January 1, 2017, and for income tax years commencing on or after January 1, 2020, but prior to January 1, 2025, January 1, 2021, an amount equal to fifty percent of a landowner's costs incurred in performing wildfire mitigation measures in that income tax year on his or her property located within the state; except that the amount of the deduction claimed in an income tax year shall not exceed two thousand five hundred dollars or the total amount of the landowner's federal taxable income for the income tax year for which the deduction is claimed, whichever is less.

(IV) This paragraph (n.5) subjection (4)(n.5) is repealed, effective January 1, 2026 January 1, 2025.

SECTION 3. In Colorado Revised Statutes, add 39-22-543 as follows:
39-22-543. Credit for wildfire hazard mitigation expenses - 
legislative declaration - definitions - repeal. (1) The general 
assembly declares that the purpose of the tax expenditure in 
this section is to reimburse a landowner for the costs incurred 
in performing wildfire mitigation measures on his or her 
property located within the state.

(2) As used in this section, unless the context otherwise 
requires:

(a) "Costs" means any actual out-of-pocket expense 
incurred and paid by the landowner, documented by receipt, for 
performing wildfire mitigation measures. "Costs" do not include 
any inspection or certification fees, in-kind contributions, 
donations, incentives, or cost sharing associated with 
performing wildfire mitigation measures. "Costs" do not include 
expenses paid by the landowner from any grants awarded to the 
landowner for performing wildfire mitigation measures.

(b) "Inflation" means the annual percentage change in the 
United States Department of Labor's Bureau of Labor Statistics 
Consumer Price Index for Denver-Aurora-Lakewood for all 
items paid by all urban consumers, or its applicable predecessor 
or successor index.

(c) "Landowner" means any owner of record of private 
land located within the state, including any easement, 
right-of-way, or estate in the land, and includes the heirs, 
successors, and assigns of such land. "Landowner" shall not 
include any partnership, S corporation, or other similar entity 
that owns private land as an entity, unless there is a dwelling
ON THAT LAND THAT IS DESIGNED FOR RESIDENTIAL OCCUPANCY,

(d) "WILDFIRE MITIGATION MEASURES" MEANS THE CREATION OF
A DEFENSIBLE SPACE AROUND STRUCTURES; THE ESTABLISHMENT OF FUEL
BREAKS; THE THINNING OF WOODY VEGETATION FOR THE PRIMARY
PURPOSE OF REDUCING RISK TO STRUCTURES FROM WILDLAND FIRE; OR
THE SECONDARY TREATMENT OF WOODY FUELS BY LOPPING AND
SCATTERING, PILING, CHIPPING, REMOVING FROM THE SITE, OR PRESCRIBED
BURNING; SO LONG AS SUCH ACTIVITIES MEET OR EXCEED ANY COLORADO
STATE FOREST SERVICE STANDARDS OR ANY OTHER APPLICABLE STATE
RULES.

(3) (a) In the case of two taxpayers filing a joint return,
the amount of the credit shall not exceed six hundred twenty
five dollars in any taxable year. In the case of two taxpayers
who may legally file a joint return but actually file separate
returns, only one of the taxpayers may claim the credit
specified in this section.

(b) In the case of real property owned by tenants in
common or joint tenants, the credit allowed pursuant to this
section is only allowed for one of the individuals of the
ownership group.

(4) For income tax years commencing on or after January
1, 2021, but prior to January 1, 2026, a landowner with a federal
taxable income at or below one hundred twenty thousand
dollars for the income tax year commencing on or after
January 1, 2021, as adjusted for inflation and rounded to the
nearest hundred dollar amount for each income tax year
thereafter, is allowed a credit against the income taxes imposed
BY THIS ARTICLE 22 IN AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT OF
UP TO TWO THOUSAND FIVE HUNDRED DOLLARS IN COSTS FOR WILDFIRE
MITIGATION MEASURES. THE MAXIMUM TOTAL CREDIT IN A TAXABLE YEAR
IS SIX HUNDRED TWENTY-FIVE DOLLARS.

(5) IF THE AMOUNT OF A CREDIT UNDER THIS SECTION EXCEEDS A
TAXPAYER’S ACTUAL TAX LIABILITY FOR AN INCOME TAX YEAR, THE
AMOUNT OF THE CREDIT NOT USED TO OFFSET THE TAXPAYER’S INCOME
TAX LIABILITY IS NOT REFUNDED TO THE TAXPAYER AND SHALL NOT BE
CARRIED FORWARD AS A TAX CREDIT AGAINST THE TAXPAYER’S INCOME
TAX LIABILITY IN ANY SUBSEQUENT TAX YEAR.

(6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2029.

SECTION 4. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety.